

***CHECK AGAINST DELIVERY***

**Speech of UNRWA Commissioner-General to the 4<sup>th</sup> Committee**

**9 November 2015**

Mr. Chairman,

Excellencies,

Distinguished delegates,

It is an honour to present today my second annual report on the operations of UNRWA to the Fourth Committee of the UN General Assembly.

In doing so, I wish to convey to you the deep sense of despair and insecurity that runs through the Palestine refugee community but also the extraordinary courage, determination and strength that I witness time and time again in my trips and meetings. This explains why UNRWA continues to approach its role with a profound sense of responsibility towards the 5.2 million Palestine refugees in the West Bank and East Jerusalem, Gaza, Jordan, Lebanon and Syria. It a responsibility to safeguard the mandate entrusted to us by the UN General Assembly by both providing meaningful services to the refugees and actively advocating for the respect of their rights. A responsibility, also, to contribute to hope and a measure of dignity in a highly volatile region.

A year ago my address had a strong focus on the destructive and deadly war in Gaza in summer 2014 and its aftermath. Generous pledges had just been made at the Cairo donor's conference to rebuild Gaza that October.

Many wondered if this could possibly signify the start a better future for the beleaguered and suffering Palestinians in Gaza, two thirds of whom are Palestine refugees.

Regrettably one year on I must report to the Fourth Committee that Palestine refugees today feel further than ever “left behind”. Their vulnerability and isolation is being intensified, reaching levels not seen in generations as conflicts expand in the Middle East region and thrust one community after another into extreme insecurity. For Palestine refugees, many already subjected to severe inequalities and discrimination, the present situation has created a new existential crisis; where possible, flight is a choice of escape, as they join the refugee exodus within the region and flowing into Europe.

In the midst of these severe conditions, the gains in social and economic development in the broader Middle East achieved over decades are very much at risk. With that reality confronting us all, I believe it is important to draw a connection between the Palestine refugees, UNRWA and the Sustainable Development Goals, adopted by Governments in the UN General Assembly on 25 September. Taken as a whole, with their governance and justice provisions, the SDGs are an aspiration beyond the foreseeable horizon of the refugees, as long as they remain casualties of an unresolved conflict that has violated their fundamental rights with no means of redress 67 years after the fact. However the commitments to human development enshrined in the SDGs are another matter, and in one area that I would like to emphasize today - the Goal that every child should benefit from a quality, inclusive education - Palestine refugees have already achieved a great deal.

Since its inception 65 years ago, education has been at the core of UNRWA's mandate and the foundation of the successful development of the human capital of Palestine refugees to which UNRWA stakeholders, in particular the host and donor countries, have successfully contributed. We must work together to do what is necessary to preserve and build on all that has been achieved, until a just and lasting solution is realized that addresses the many outstanding claims that this conflict has produced.

Last summer, UNRWA's flagship education programme for 500,000 Palestine refugee schoolchildren, and for the 7,000 youth in our vocational training programme, was under threat of indefinite suspension due to a lack of funding. To have postponed the opening of UNRWA's schools would not only have been in manifest contradiction with a core Sustainable Development Goal, but at a more fundamental level it would have denied Palestine refugee children their right to an education and sent shock waves through the entire Palestine refugee community. Under any circumstances this would be a damaging outcome. In the current Middle East context it became a matter of regional security.

Faced with a crippling funding shortfall, UNRWA's management had no choice but to grasp the nettle and take urgent measures to close the gap by curtailing planned expenditure. As set out in my Special Report to the Secretary-General of 3 August which was distributed subsequently to UN Member States, a higher student per classroom ceiling was enforced; a hiring freeze was implemented; international consultancies and short-term contracts were reduced by 85%; and an exceptional voluntary separation package was offered to staff. These measures were painful and very difficult to put in place.

They generated disquiet among staff, and some Palestine refugees sensed an intent to reduce in scope or quality the services that sustain their communities.

However, bridging the shortfall also required the active support of our external stakeholders. With an exceptional resource mobilization effort led by UNRWA together with the Secretary General and Deputy Secretary General and with the strong support of the Jordanian Government including the Foreign Minister, as well of the Palestinian President and Prime Minister, the required \$101 million was raised to enable UNRWA's schools to reopen on time. Half of the funds were provided by Saudi Arabia, Kuwait and the United Arab Emirates, a very important development for which I express profound gratitude. I want to thank again sincerely all donors who contributed to this effort and indeed all UNRWA's donors and host countries who together, in solidarity, ensured that UNRWA's core services would be delivered in 2015.

But make no mistake. The events of last summer were a very close call, a warning to all of us that we must now take serious steps, by means of a cooperative and collective effort to ensure that UNRWA is put on a more sustainable future financial basis.

UNRWA has not hesitated to take on its share of responsibilities for ensuring sustainability. Additional measures will be rolled out to further control costs while maximizing the impact of our modest resources. I have instructed my senior managers to prioritize activities linked directly to service delivery, and ensure support functions are streamlined and their budgets compressed Agency-wide.

Under the robust direction of my Deputy, this approach is now driving preparation of UNRWA's 2016 budget, the first one to benefit from the new enterprise resource system which provides new opportunities to achieve efficiencies. Furthermore, exposure to currency exchange risks will be reduced through enhanced hedging strategies, supported by a new advisory committee of external experts.

The anticipated results are encouraging; UNRWA's projected budget shortfall for 2016, initially estimated at of \$135 million, has been reduced to \$81 million, constituting unprecedented savings of over \$50 million in an effort to sustain a zero-growth programme budget.

These and other measures are being calibrated to lower the costs of doing business while sustaining – and where possible improving – UNRWA's performance, quality and refugee access to services. We will continue to measure programme results against the outcomes laid out in our Medium Term Strategy for 2016-2021. I react here that we are taking these measures conscious that there is no "zero-growth" in needs facing Palestine refugees.

Even as we tighten the controls on expenditure, additional resources will be necessary to bridge projected funding shortfalls. We recognise that our traditional donors who presently contribute about 85% of our core resources expect us to be innovative in developing new sources of funding, for example, from World Bank Trust Funds in the field of education, Islamic Financing – "zakat" and "waqf" or social bonds, private-public partnerships and other potential sources of private sector income and philanthropic giving by individuals.

In this context we would like an UNRWA project to be amongst the first pilot projects to demonstrate the potential of Islamic “zakat” financing at the World Humanitarian Summit in Istanbul in May 2016.

We will seek therefore to develop new funding opportunities but we will absolutely and urgently need the support of donors – for example at the World Bank – to open new funding portals for UNRWA.

Notwithstanding these efforts, our finances will still have to be underpinned by UN Member States from whom we need consolidated, predictable, and multi-year funding commitments. It simply does not make sense to continue speaking about the importance of implementing UNRWA’s Mid-Term Strategy if we continue to deal with monthly cash-flow crises.

In this context let me underline the importance, among others objectives, of consolidating recent efforts by Gulf donors to UNRWA’s funding in 2016 and of ensuring, whenever possible, that donors at least maintain previous funding commitments. Finally let me express the hope that the Agency will soon welcome back “old friends” whose absence has been sorely missed.

As I have explained my firm conviction is that strengthening financial viability of UNRWA is a collective responsibility – the word responsibility here is very important - amongst all stakeholders. Until a just and lasting solution is found to the plight of Palestine refugees I count therefore on:

- UNRWA staff and management to implement the Agency's strategic operational and financial plans in accordance with the Agency's Medium Term Strategy for 2016 – 2021. The internal measures we are taking aim to protect the future of the Agency by overcoming the cycle of chronic shortfalls it has experienced in recent years
- host countries to continue to show generosity and support towards Palestine refugees and to protect their rights;
- donors to remain committed to ensuring that UNRWA can deliver vital services in accordance with its General Assembly mandate;

This common commitment offers the best prospect of bringing Palestine refugees closer to a better future, closer to their aspirations as a community and which offers the best prospect for them to retain the dignity for which they yearn and deserve as human beings. To achieve these goals in the exceptionally difficult environment in which UNRWA operates will be very challenging.

Distinguished delegates,

For all the wrong reasons, UNRWA's education programme was at the center of our collective attention last summer. It was not the first time we have faced a financial crisis, but all things considered it was the worst.

As executive head of the Agency, I was struck by the way our education programme once again found itself at risk in our areas of operation, where too often it has been drawn into the dynamics of conflict in the region.

Our scale plays a role in this exposure, with a sprawling infrastructure of 685 schools in almost 60 refugee camps and in towns throughout our areas of operation, and 500,000 pupils – more than the populations of Geneva and Basel combined.

Other factors are at play too.

In Syria, the conflict has devastated UNRWA's education system. 49 of our 118 separately administered schools have been damaged since 2011, and only 42 remain operational. Just prior to the conflict, approximately 66,000 students regularly attended our schools; the number today is closer to 45,000, attending subject to security conditions. Of 14 UNRWA staff killed during this conflict, 11 were colleagues from our education programme. I condemn in the strongest terms the wanton violation of the rights of children, and of all civilians, inherent in the acts creating these realities on the ground.

In Lebanon earlier this year, an armed extremist group staging attacks on other factions took control of one of our schools in Ein el-Hilweh. The incident ended well enough, with the group vacating the premises following mediation by known figures in the camp. But it was not the first instance in which our schools in Lebanon are violated through factional violence, and the implications for Palestine refugee students are serious.

In Gaza last year, during hostilities in July and August, 83 schools were damaged, including 7 schools serving as emergency shelters that were affected directly or indirectly by Israeli military strikes killing at least 44 Palestinians.



At the peak of displacement, 90 UNRWA schools sheltered 300,000 people – about 17% of the entire population of the Gaza Strip.

In my most recent visits to conflict affected Palestine refugee communities, a sharper sense has emerged of the essential role played by UNRWA's education system in the dynamic of regional conflict. In Yarmouk camp last March, parents who had survived two years of a merciless siege, bombardments and the murderous actions of armed groups, spoke to me with brief urgency about their bare survival needs before turning to the education of their children. In the Ein El Helweh camp in Lebanon, I spoke to a 13 year-old Palestine refugee girl from Syria. On her flight to Lebanon, she had lost her father and a brother and yet was the highest performing pupil in the school. Where the combined forces of violence, dispersion and unmet basic needs are fueling refugee flows beyond the Middle East, UNRWA's institutional presence provides a stable space in which Palestine refugees can nourish their determination and strength, adapt to what many hope is a temporary displacement, and start to rebuild lives. These refugees will help their shattered communities recover after conflict is brought to an end.

I have no doubt that education remains the essential factor of hope and strength among Palestinian youth, who are so often deprived of opportunity and rights. In this sense, preserving their access to education remains an essential investment to prevent radicalization and to keep open the prospect of a better future. And the inclusion of a human rights curriculum by UNRWA is an investment both in confronting Palestinian young boys and girls with the importance of respecting rights of others and of better understanding the rights they should themselves be enjoying.

Let me begin in Gaza where 1.3 million Palestine refugees, two thirds of the total population, reside in mostly dire conditions. The illegal blockade of Gaza remains in place subjecting Palestinians to collective punishment and denying all but a few the opportunity to lead normal lives, including by interacting with the outside world. Reflecting this, 893,000 Palestine refugees are food dependent, eleven times the number 15 years ago. This statistic is shameful as is the 42% level of unemployment in Gaza, the highest in the world, and is even worse for Palestine refugee youth, for whom it reaches 70%. In 2014 Gaza's economy "de-developed" with negative growth of 15%; per capita GDP today is a mere 72% of the level in 1994. If all these indicators of severe stress were not enough to provoke feelings of despair, imagine how Palestine refugees felt when there was a risk of 250,000 schoolchildren in Gaza not going to UNRWA schools in autumn.

With regard to rebuilding in Gaza following the devastating conflict of 2014, UNRWA is making enormous efforts to rehabilitate 140,750 Palestine refugee homes impacted by the war. More than half the caseload for minor repair works of Palestine refugee dwellings has been completed. However it has taken no less than 14 months since the war ended to witness the completion of first reconstruction of a totally demolished Palestine refugee home. We acknowledge that approvals for rebuilding of some 170 homes have been granted, however the pace must increase, and funding remains inadequate to rebuild the homes of 13,167 Palestine refugee families which were destroyed or severely damaged in 2014. Reconstructing war damage is but one massive task that must be advanced in Gaza.

Fifteen years of serial, armed conflict and eight years of blockade have decimated its agriculture, small businesses and cottage industries. Its infrastructure is fragile with limited capacity to provide electricity and potable water, both necessities for the sustenance of the population. By 2020 the UN projects Gaza will not be livable, unless the international community engages all relevant parties decisively to lift the blockade and supports large-scale humanitarian and developmental activities. The deplorable conditions imposed on the people of Gaza – of whom half are children – can only be described as immoral, untenable, and undermining the security and rights of states and peoples in the region.

In the West Bank including East Jerusalem, the upsurge in violence and protests in recent weeks has had a direct impact on Palestinians with some 71 fatalities and over 7,500 injuries reported in the first month of unrest that began on 1 October. During the same period, 8 Israelis were killed and 126 injured. As the Deputy Secretary General said at the Security Council's quarterly Middle East debate a few weeks ago in commenting on the reasons why the situation had deteriorated, the crisis would not have erupted if the Palestinian people, among others, had a perspective of hope towards a viable Palestinian state, an economy that provides jobs and opportunities, control over their legal and administrative processes and did not live under a stifling and humiliating occupation that has lasted almost half a century. UNRWA is shocked by the upsurge in violence that has affected Palestinian and Israeli civilians and the pattern of deadly force against Palestinians, the increase in the use of live ammunition in and around refugee camps, the expansion of settlements, the increase in settler violence towards Palestine refugees, and the displacement of refugees by demolitions and destruction of structures.

Of additional concern are the longstanding threats to transfer Bedouin communities, a majority of whom are Palestine refugees, from Area C to three townships. If implemented there are serious concerns that it would be contrary to Israel's obligations under international law, including the prohibition on forcible transfer.

Turning now to Syria, where the conflict is approaching 5 years in duration, some 450,000 Palestine refugees – 80% of the pre-war total - remain in the country. Almost all of them require assistance from UNRWA to meet their basic needs. UNRWA estimates that 58,000 Palestine refugees have fled to Lebanon and Jordan and 52,000 to locations outside UNRWA's areas of operation including to Europe, Asia, and Latin America. Many have tragically lost their lives making the perilous journey to Europe.

UNRWA's ability to provide emergency shelter, education and health services in situ, using its long established infrastructure, has undoubtedly played an important role in individual families' decisions to remain in Syria. It is vital therefore that these emergency services are funded to an adequate level. It is also essential that UNRWA continues providing education to children living in crisis conditions.

Supporting UNRWA's efforts in Syria are both cost effective as well as humane: recent estimates suggest that the costs of supporting Palestine refugees in Europe is seven times higher than in Syria. On present trends only just over half of UNRWA's emergency appeal for 2015 of \$420 million will be met.

But as winter approaches \$124 million will be needed for emergency cash, shelter and winterization, \$30 million for emergency food assistance, \$17 million for emergency education and \$24 million for livelihoods. If fully delivered the services outlined could have a substantial and lasting impact on the choices refugees make about whether to remain in Syria.

Palestine refugees know, historically, what displacement brings. They yearn for stability. Even in the battle scarred area of Yarmouk and its environs, where UNRWA has had only limited access, mainly in the suburbs, Palestine refugees still remain living in the direst conditions and harboring the hope they will have an opportunity to return to their former lives. It is incumbent on us to assist them and I once again urge you to support UNRWA's emergency work. Finally, let us not forget UNRWA's courageous staff in Syria, often working in the most dangerous of circumstances. UNRWA has lost 14 staff members and 28 are unaccounted for or detained. It is a catastrophic toll. No other international organization has incurred such losses in Syria and I know of very few agencies that would continue operation under such circumstances. UNRWA does and its operation is very much alive from Damascus to Homs, Aleppo to Deraa.

In Lebanon, there has been no change in the status or work opportunities for the Palestine refugees living there. To this number must be added 42,000 Palestine refugees from Syria. For this community, which has congregated in and around the 12 Palestine refugee camps in Lebanon, there are urgent needs in the areas of cash, food and housing assistance and emergency health.

To give one small example: UNRWA was recently forced to cut our \$100 per month housing subsidy to Palestine refugee families from Syria, exposing tens of thousands to the prospect of homelessness on the streets of Lebanon and to enhanced protection risks including for children who should be attending school. I have often thought that under such conditions, I would put my family on the boats and risk my way to Europe too.

Furthermore weakening coping mechanisms will reduce the ability of Palestine refugees from Syria to remain temporarily in Lebanon, increasing the likelihood that they will either return to unsafe conditions in Syria or risk dangerous smuggling routes to reach Europe. The precarious legal status of 90 per cent of Palestine refugees from Syria has also had the consequence that many face difficulties in obtaining relevant civil documentation for birth, marriage, divorce and death. Without resolution there is concern of the emergence of an undocumented population with associated protection risks.

I note with great satisfaction that the 6500 Palestine refugee children from Syria (about one sixth of the total Palestine refugee students in our schools in Lebanon) matched the results and performance levels of students from families normally resident there. This is a remarkable outcome and a testament, on the one hand, to the commitment that Palestine refugee families place in education and their children's future, however precarious the circumstances of their lives, and on the other hand, to the importance of education in crisis and in ensuring No Lost Generation.

Finally I draw your attention once again to the reconstruction of the Nahr El Barad refugee camp, destroyed in 2007 which remains UNRWA's single largest housing project. Rebuilding continues but far too slowly due to a lack of donor funds. I am grateful to Saudi Arabia for their additional support but I note with concern that around half of families displaced eight years ago remain displaced. We need to complete this project expeditiously. Failure to do so means we would fail to understand how deeply humiliating it is for thousands of residents to still be living in inadequate temporary shelter. It is a matter of dignity and regional security.

Jordan hosts the largest number of Palestine refugees - 2.1 million - as well as 16,000 estimated to have fled from Syria. Jordan and Lebanon as front line states have been severely impacted by the Syrian crisis and deserve greater international support to enhance resilience of the vast number of refugees from Syria sheltering in each country. UNRWA recognises the huge burden on Jordan but at the same time has requested the Government of Jordan to ensure equal treatment and protection of all refugees in accordance with international standards.

In concluding I want to look at the challenges facing UNRWA from a broader perspective.

Firstly, UNRWA's financial crisis this summer was symptomatic of a broader existential crisis within the world's humanitarian system which, simply put, cannot cope with escalating demands for humanitarian assistance. Donor resources, though increasing, cannot keep pace with needs.

There are now 60 million displaced persons in the world, including refugees, with conflicts, the principal source of displacement, lasting an average of 17 years. Lest it be forgotten, the underlying Israel-Palestine conflict has lasted four times longer - 67 years – and its military occupation of Gaza and the West Bank including East Jerusalem is in its 49<sup>th</sup> year. UNRWA cares for 44% of the world’s long term refugees (those displaced for more than five years). UNRWA is an interesting and successful example of how to integrate humanitarian and development funding under one roof, one of its strengths being that it has the institutions and structures – schools, health centres, warehouses, administrative buildings – built up over 65 years, to cope with both emergency needs and to provide human development services including during crises.

With its vast storehouse of field-tested experience and successes, UNRWA strongly endorses the efforts led by Jemilah Mahmood and her team to work with all stakeholders to identify ways to recalibrate and retool the world’s humanitarian system. The “business as usual” approach is no longer viable and new innovative approaches are required to ensure that people affected by crisis are adequately cared for in the future.

We support the emphasis in the preparations for the World Humanitarian Summit on empowering local actors – and we back the enhancement of protection for vulnerable people. Above all, we strongly support the call to reinvigorate the core principal of putting humanity first, to put people at the heart of humanitarian action.



UNRWA continues to operate in a highly polarized environment where emotions frequently run high. We enforce neutrality within our organization, but we are not immune from the context. There have recently been allegations of inappropriate statements by UNRWA staff, notably on social media. Let me state here unambiguously that UNRWA condemns any form of anti-Semitism or racism and its position on this issue is a matter of public record. We take every allegation seriously and when credible investigate it and will continue to take disciplinary actions as required.

As we assess the situation of Palestine refugees in a deteriorating regional environment, let us not forget that the historical injustice which the world has bequeathed successive generations of Palestine refugees remains unresolved. Regrettably a political settlement has never appeared further away from our collective grasp than today.

Yet, as recent events in Jerusalem and the West Bank make clear, the time for political action has never been more urgent, the more so as increasing parts of the Middle East fragment and descend into chaos. Every effort to “manage” the Israel-Palestine conflict has failed.

Palestine refugees’ remarkable courage and belief in the future has never been more sorely tested than it is today. Their faith in UNRWA, shaken for sure by last summer’s events, has not dissipated.

For Palestine refugees, UNRWA is the institution which embodies the Palestine refugee experience, a symbol of the hopes of a disadvantaged, scattered, marginalized, and increasingly mobile community, but also a symbol of an unswervingly proud and determined people whose aspirations for hope and dignity will never fade.

More than ever UNRWA must be supported as it endeavors to create conditions for Palestine refugees to live dignified lives until a just resolution of the plight of Palestine refugees is realized.